

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Robert G. Taub, Chairman;
Tony Hammond, Vice Chairman;
Mark Acton; and
Nanci E. Langley

Competitive Product Prices
Global Plus 1D (CP2016-193)
Negotiated Service Agreements

Docket No. CP2017-255

ORDER APPROVING MODIFICATION TWO(A) TO
GLOBAL PLUS 1D NEGOTIATED SERVICE AGREEMENT AND DENYING AS MOOT
MOTION FOR TEMPORARY RELIEF

(Issued August 23, 2018)

I. INTRODUCTION

The Postal Service seeks to modify a Global Plus 1D negotiated service agreement.¹ For the reasons discussed below, the Commission approves the Modification.

¹ Motion of the United States Postal Service for Temporary Relief and Notice of the United States Postal Service of Filing Modification Two(A) to a Global Plus 1D Negotiated Service Agreement, August 20, 2018 (Notice). The modification is an attachment to the Notice (Modification).

In Order No. 4048, the Commission approved the Global Plus 1D negotiated service agreement (Existing Agreement).² On August 20, 2018, the Postal Service filed notice that it has agreed to the Modification to the Existing Agreement.

II. COMMISSION ANALYSIS

The Commission has reviewed the Notice and the accompanying materials filed under seal.

Cost considerations. The Commission reviews competitive product prices to ensure that each product covers its attributable costs, does not cause market dominant products to subsidize competitive products, and contributes to the Postal Service's institutional costs. 39 U.S.C. § 3633(a); 39 C.F.R. §§ 3015.5 and 3015.7. As long as the revenue generated by the product exceeds its attributable costs, the product is unlikely to reduce the contribution of competitive products as a whole or to adversely affect the ability of competitive products as a whole to contribute an appropriate share of institutional costs. In other words, if a product covers its attributable costs, it is likely to comply with 39 U.S.C. § 3633(a).

The Existing Agreement is set to expire August 31, 2018. Order No. 4048 at 9. The Modification revises the expiration date of the contract to September 30, 2018. Notice at 1.

If the Existing Agreement, as modified, is terminated prior to the scheduled expiration date, the Postal Service shall promptly notify the Commission.

In conclusion, the Commission approves the Existing Agreement, as modified. Accordingly, the Motion for Temporary Relief is denied as moot.

² See Docket No. CP2017-247, *et al.*, Order Approving Additional Global Plus 1D Negotiated Service Agreements and Conditionally Approving Modifications, August 16, 2017 (Order No. 4048). The contract was later modified. See Docket No. CP2017-247, *et al.*, Notice of the United States Postal Service of Filing Modifications in Response to Order No. 4048, August 29, 2017.

III. ORDERING PARAGRAPHS

It is ordered:

1. The Commission approves the Global Plus 1D negotiated service agreement, as modified.
2. The Postal Service shall notify the Commission if the Existing Agreement, as modified, terminates prior to the revised expiration date, September 30, 2018.
3. The Postal Service's Motion for Temporary Relief is denied as moot.

By the Commission.

Stacy L. Ruble
Secretary